

“(7) **LOCAL AWARDS.**—Each local educational agency that applies for assistance under this subsection shall describe how it will provide the lowest achieving schools the resources necessary to meet yearly progress goals under State and local school improvement, corrective action, and restructuring plans under section 1116.

“(8) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out this subsection, there are authorized to be appropriated \$500,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 4 succeeding fiscal years.”.

SEC. 103. RESERVATION FOR SCHOOL IMPROVEMENT.

Section 1003 is amended to read as follows:

“SEC. 1003. RESERVATION FOR SCHOOL IMPROVEMENT.

“(a) **STATE RESERVATIONS.**—Each State shall reserve 1 percent of the amount it receives under subpart 2 of part A for fiscal years 2002 and 2003, and 3 percent of the amount received under such subpart for fiscal years 2004 through 2006, to carry out subsection (b) and to carry out the State’s responsibilities under sections 1116 and 1117, including carrying out the State educational agency’s statewide system of technical assistance and support for local educational agencies.

“(b) **USES.**—Of the amount reserved under subsection (a) for any fiscal year, the State educational agency shall allocate at least 95 percent of that amount directly to local educational agencies for schools identified for school improvement, corrective action, and restructuring under section 1116(c) that have the greatest need for that assistance in amounts sufficient to have a significant impact in improving those schools.

“(c) **PRIORITY.**—The State educational agency, in allocating funds to local educational agencies under this section, shall give priority to local educational agencies that—

“(1) have the lowest achieving schools;

“(2) demonstrate the greatest need for such funds; and

“(3) demonstrate the strongest commitment to ensuring that such funds are used to enable the lowest achieving schools to meet the yearly progress goals under section 1116(b)(3)(A)(v).

“(d) **UNUSED FUNDS.**—If, after consultation with local educational agencies in the State, the State educational agency determines that the amount of funds reserved to carry out subsection (b) is greater than the amount needed to provide the assistance described in that subsection, it may allocate the excess amount to local educational agencies in accordance with either or both—

“(1) the relative allocations it made to those agencies for that fiscal year under subpart 2 of part A; or

“(2) section 1126(c).

“(e) **SPECIAL RULE.**—Notwithstanding any other provision of this section, the amount of funds reserved by the State under subsection (a) in any given fiscal year shall not decrease the amount of State funds each local educational agency receives below the amount received by such agency under subpart 2 in the preceding fiscal year.”.

SEC. 104. BASIC PROGRAMS.

The heading for part A of title I and sections 1111 through 1115 are amended to read as follows:

“PART A—IMPROVING BASIC PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES

“Subpart 1—Basic Program Requirements

“SEC. 1111. STATE PLANS.

“(a) **PLANS REQUIRED.**—

“(1) **IN GENERAL.**—Any State desiring to receive a grant under this part shall submit to the Secretary, by March 1, 2002, a plan, developed in consultation with local educational agencies, teachers, principals, pupil services personnel,

administrators (including administrators of programs described in other parts of this title), other staff, and parents, that satisfies the requirements of this section and that is coordinated with other programs under this Act, the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.), the Head Start Act (42 U.S.C. 9831 et seq.), and the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.).

“(2) **CONSOLIDATED PLAN.**—A State plan submitted under paragraph (1) may be submitted as part of a consolidated plan under section 8302.

“(b) **ACADEMIC STANDARDS, ACADEMIC ASSESSMENTS, AND ACCOUNTABILITY.**—

“(1) **CHALLENGING ACADEMIC STANDARDS.**—

“(A) Each State plan shall demonstrate that the State has adopted challenging academic content standards and challenging student academic achievement standards that will be used by the State, its local educational agencies, and its schools to carry out this part, except that a State shall not be required to submit such standards to the Secretary.

“(B) The academic standards required by subparagraph (A) shall be the same academic standards that the State applies to all schools and children in the State.

“(C) The State shall have such academic standards for all public elementary and secondary school children, including children served under this part, in subjects determined by the State, but including at least mathematics, reading or language arts, and science (beginning in the 2005–2006 school year), which shall include the same knowledge, skills, and levels of achievement expected of all children.

“(D) Academic standards under this paragraph shall include—

“(i) challenging academic content standards in academic subjects that—

“(I) specify what children are expected to know and be able to do;

“(II) contain coherent and rigorous content; and

“(III) encourage the teaching of advanced skills; and

“(ii) challenging student academic achievement standards that—

“(I) are aligned with the State’s academic content standards;

“(II) describe 2 levels of high performance (proficient and advanced) that determine how well children are mastering the material in the State academic content standards; and

“(III) describe a third level of performance (basic) to provide complete information about the progress of the lower performing children toward achieving to the proficient and advanced levels of performance.

“(E) For the subjects in which students will be served under this part, but for which a State is not required by subparagraphs (A), (B), and (C) to develop, and has not otherwise developed such academic standards, the State plan shall describe a strategy for ensuring that students are taught the same knowledge and skills in such subjects and held to the same expectations as are all children.

“(F) Nothing in this part shall prohibit a State from revising any standard adopted under this part before or after the date of enactment of the No Child Left Behind Act of 2001.

“(2) **ACCOUNTABILITY.**—

“(A) **IN GENERAL.**—Each State plan shall demonstrate that the State has developed and is implementing a statewide State accountability system that has been or will be effective in ensuring that all local educational agencies, public elementary schools, and public secondary schools make adequate yearly progress as defined under subparagraph (B). Each State accountability system shall—

“(i) be based on the academic standards and academic assessments adopted under paragraphs (1) and (4) and take into account the performance of all public school students;

“(ii) be the same as the accountability system the State uses for all public schools or all local educational agencies in the State, except that public schools and local educational agencies not participating under this part are not subject to the requirements of section 1116; and

“(iii) include rewards and sanctions the State will use to hold local educational agencies and public schools accountable for student achievement and for ensuring that they make adequate yearly progress in accordance with the State’s definition under subparagraph (B).

“(B) **ADEQUATE YEARLY PROGRESS.**—Each State plan shall demonstrate, based on academic assessments described under paragraph (4), what constitutes adequate yearly progress of the State, and of public schools and local educational agencies in the State, toward enabling all public school students to meet the State’s student academic achievement standards, while working toward the goal of narrowing the achievement gaps in the State, local educational agency, and school.

“(C) **DEFINITION.**—‘Adequate yearly progress’ shall be defined by the State in a manner that—

“(i) applies the same high academic standards of academic performance to all public school students in the State;

“(ii) measures the progress of public schools and local educational agencies based primarily on the academic assessments described in paragraph (4);

“(iii) measures the student dropout rate, as defined for the Common Core of Data maintained by the National Center for Education Statistics established under section 403 of the National Education Statistics Act of 1994 (20 U.S.C. 9002);

“(iv) includes separate annual numerical objectives for continuing and significant improvement in each of the following (except that disaggregation of data under subclauses (II) and (III) shall not be required in a case in which the number of students in a category is insufficient to yield statistically reliable information or the results would reveal individually identifiable information about an individual student):

“(I) The achievement of all public school students.

“(II) The achievement of—

“(aa) economically disadvantaged students;

“(bb) students from major racial and ethnic groups;

“(cc) students with disabilities; and

“(dd) students with limited English proficiency;

“(III) solely for the purpose of determining adequate yearly progress of the State, the acquisition of English language proficiency by children with limited English proficiency;

“(v) at the State’s discretion, may also include other academic measures such as promotion, completion of college preparatory courses, and high school completion (and for individual local educational agencies and schools, the acquisition of English language proficiency by children with limited English proficiency), except that inclusion of such other measures may not change which schools or local educational agencies would otherwise be subject to improvement or corrective action under section 1116 if the discretionary indicators were not included; and

“(vi) includes a timeline that—

“(I) uses as a baseline year the year following the date of enactment of the No Child Left Behind Act of 2001;

“(II) establishes a target year by which all members of each group of students described in subclauses (I) and (II) of clause (iii) shall meet or exceed the State’s proficient level of academic performance on the State academic assessment used for the purposes of this section and section 1116, except that the target year shall not be more than 12 years from the baseline year; and

“(III) for each year until and including the target year, establishes annual goals for the academic performance of each group of students